

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6453

BILL NUMBER: HB 1040

NOTE PREPARED: Nov 26, 2003

BILL AMENDED:

SUBJECT: 1977 Police and Firefighter Fund Survivor Benefit.

FIRST AUTHOR: Rep. Pflum

BILL STATUS: As Introduced

FIRST SPONSOR:

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill increases the monthly benefit of the surviving spouse of a member of the 1977 Police Officers' and Firefighters' Pension and Disability Fund from 60% to 75% of the member's monthly benefit if the member died: (1) other than in the line of duty after August 31, 1982; or (2) in the line of duty before September 1, 1982.

Effective Date: July 1, 2004.

Explanation of State Expenditures:

Explanation of State Revenues:

Explanation of Local Expenditures: The benefits that would be affected would be all benefits payable after June 30, 2004. There would be no retroactive recomputation of any benefits paid prior to July 1, 2004. The table below shows the estimated fiscal impact.

Increase in Unfunded Accrued Actuarial Liability:	\$58.2 M
Increase in Employer Contribution Percentage:	From 21% to 22.8%
Increase in Annual Benefits:	\$1.1 M

The funds affected are the Police and Fire Pension Funds. The principal revenue sources for these funds are: (1) cigarette taxes; (2) liquor gallonage taxes; and (3) auto and aircraft excise taxes.

Explanation of Local Revenues:

State Agencies Affected: Public Employees' Retirement Fund as administrators of the 1977 Police Officers' and Firefighters' Pension and Disability Fund.

Local Agencies Affected: Those with members in the 1977 Police Officers' and Firefighters' Pension and Disability Fund.

Information Sources:

Fiscal Analyst: James Sperlik, 317-232-9866.

DEFINITIONS:

Actuarial Liability: The excess of the present value of all benefits thereafter payable under the system over the present value of future normal costs.